

103D CONGRESS
1ST SESSION

S. 1550

To make systematic and comprehensive reductions in Federal spending and eliminate wasteful spending while preserving the ability of the Federal Government to meet its responsibilities.

IN THE SENATE OF THE UNITED STATES

OCTOBER 15 (legislative day, OCTOBER 13), 1993

Mr. LIEBERMAN introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To make systematic and comprehensive reductions in Federal spending and eliminate wasteful spending while preserving the ability of the Federal Government to meet its responsibilities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Federal Spending and Deficit Reduction Act of 1993”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—DEPARTMENT OF DEFENSE

- Sec. 101. Strategic defense initiative.
- Sec. 102. Limitation on the number of nuclear warheads maintained by the United States.
- Sec. 103. Limitation on expenditures for nuclear weapons research, development, and testing activities of the Department of Energy.
- Sec. 104. Required exercise of early retirement authority.
- Sec. 105. Military family housing.
- Sec. 106. End strength and grade distribution for civilian personnel of the Department of Defense.
- Sec. 107. Consolidation and reduction of recruiting activities of the Armed Forces.
- Sec. 108. Use of commissary store revenues for operations.
- Sec. 109. Use of Armed Forces for base operations and construction.
- Sec. 110. Increased burden sharing by allies of the United States.

TITLE II—DEPARTMENT OF STATE

- Sec. 201. Elimination of redundant foreign affairs activities.

TITLE III—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Subtitle A—Commodity Programs

- Sec. 301. Reduction of deficiency payments.
- Sec. 302. Reduction of base acreage eligible for deficiency payments.
- Sec. 303. Increased producer contributions for dairy price support program.
- Sec. 304. Removal of minimum price provisions of milk marketing orders.
- Sec. 305. Elimination of wool and mohair price support program.
- Sec. 306. Elimination of honey price support program.
- Sec. 307. Transition provision.
- Sec. 308. Effective date.

Subtitle B—Replacement of Federal Crop Insurance with Emergency Crop Loss Assistance

- Sec. 321. Emergency crop loss assistance.
- Sec. 322. Elimination of Federal crop insurance.
- Sec. 323. Effective date.

Subtitle C—Other Agricultural Programs

- Sec. 331. Elimination of title I sales and title III grants under P.L. 480.
- Sec. 332. Elimination of interest rate subsidy for REA direct loans.
- Sec. 333. Consolidation of field offices of Department of Agriculture.

TITLE IV—COMMITTEE ON ENERGY AND NATURAL RESOURCES

- Sec. 401. Elimination of below-cost timber sales from national forests.
- Sec. 402. Reduction in funding for Tennessee Valley Authority.
- Sec. 403. Debt repayment for hydroelectric power projects.
- Sec. 404. Increase in pricing for use of public lands.

TITLE V—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

- Sec. 501. Highway demonstration projects.

TITLE VI—COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Sec. 601. Radio spectrum royalty.

Sec. 602. Inland waterway system.

TITLE VII—CIVIL SERVICE PROGRAMS

Sec. 701. Prefunding of government contributions for Federal annuitants' health insurance.

Sec. 702. Repeal of the provision excluding senior executives from the limitation generally applicable on the accumulation of annual leave.

Sec. 703. Elimination of administratively uncontrollable overtime pay.

TITLE VIII—COMMITTEE ON FINANCE

Sec. 801. One dollar fee for processing paper claims.

Sec. 802. Auction of import licenses.

TITLE IX—REINVENTING GOVERNMENT

Sec. 901. Encouraging agency cost efficiency and employee savings ideas.

1 **TITLE I—DEPARTMENT OF** 2 **DEFENSE**

3 **SEC. 101. STRATEGIC DEFENSE INITIATIVE.**

4 (a) TOTAL APPROPRIATIONS FOR BALLISTIC MIS-
5 SILE DEFENSE FOR FISCAL YEARS 1994 THROUGH
6 1998.—Notwithstanding any other provision of law, the
7 total amount appropriated for fiscal years 1994 through
8 1998 for programs managed by the Ballistic Missile De-
9 fense Organization may not exceed \$18,000,000,000.

10 (b) LIMITATION.—Notwithstanding any other provi-
11 sion of law, funds available for obligation after fiscal year
12 1993 for the programs referred to in subsection (a) may
13 be obligated only for research under such programs.

1 **SEC. 102. LIMITATION ON THE NUMBER OF NUCLEAR WAR-**
2 **HEADS MAINTAINED BY THE UNITED STATES.**

3 (a) IN GENERAL.—Effective on and after December
4 31, 2000, the number of nuclear warheads maintained by
5 the United States may not exceed the lesser of—

6 (1) 4,000; or

7 (2) the maximum number of nuclear warheads
8 permitted under applicable international agreements
9 to which the United States is a party.

10 (b) WAIVER AUTHORITY.—The President may waive
11 the limitation in subsection (a) if the President determines
12 that—

13 (1) the limitation would adversely affect arms
14 control negotiations with foreign governments; or

15 (2) the waiver is necessary in the national secu-
16 rity interests of the United States.

17 **SEC. 103. LIMITATION ON EXPENDITURES FOR NUCLEAR**
18 **WEAPONS RESEARCH, DEVELOPMENT, AND**
19 **TESTING ACTIVITIES OF THE DEPARTMENT**
20 **OF ENERGY.**

21 Notwithstanding any other provision of law, the total
22 amount that may be expended by the Department of En-
23 ergy for operating expenses incurred in carrying out weap-
24 ons research and development activities and weapons test-
25 ing activities necessary for national security programs
26 during—

1 (1) fiscal year 1994, may not exceed the
2 amount equal to 90 percent of the amount expended
3 by the Department of Energy for fiscal year 1990
4 in carrying out weapons research and development
5 activities and weapons testing activities necessary for
6 national security programs;

7 (2) fiscal year 1995, may not exceed the
8 amount equal to 90 percent of the amount expended
9 by the Department of Energy for fiscal year 1990
10 in carrying out such activities;

11 (3) fiscal year 1996, may not exceed the
12 amount equal to 90 percent of the amount expended
13 by the Department of Energy for fiscal year 1990
14 in carrying out such activities;

15 (4) fiscal year 1997, may not exceed the
16 amount equal to 90 percent of the amount expended
17 by the Department of Energy for fiscal year 1990
18 in carrying out such activities; and

19 (5) fiscal year 1998, may not exceed the
20 amount equal to 60 percent of the amount expended
21 by the Department of Energy for fiscal year 1990
22 in carrying out such activities.

1 **SEC. 104. REQUIRED EXERCISE OF EARLY RETIREMENT**

2 **AUTHORITY.**

3 The Secretary of Defense shall require the secretaries
4 of the military departments to retire not less than 60,000
5 members of the Armed Forces of the United States before
6 October 1, 1994, under the early retirement authority pro-
7 vided in section 4403 of the National Defense Authoriza-
8 tion Act for Fiscal Year 1993 (Public Law 102-484; 106
9 Stat. 2702; 10 U.S.C. 1293 note).

10 **SEC. 105. MILITARY FAMILY HOUSING.**

11 (a) **STUDY REQUIRED.**—The Secretary of Defense
12 shall carry out a study of the requirements of the Armed
13 Forces of the United States for military family housing.

14 (b) **PURPOSE.**—The purpose of the study is to deter-
15 mine the most cost effective alternatives for meeting the
16 military family housing requirements.

17 (c) **CONSIDERATIONS.**—In the conduct of the study,
18 the following matters shall be considered:

19 (1) The inventory, condition, and age of exist-
20 ing military family housing.

21 (2) The replacement and rehabilitation require-
22 ments for the existing military family housing.

23 (3) The current housing allowances provided for
24 military personnel.

1 (4) The availability and cost of housing in the
2 communities in the vicinity of the installations and
3 other locations of assignment of military personnel.

4 **SEC. 106. END STRENGTH AND GRADE DISTRIBUTION FOR**
5 **CIVILIAN PERSONNEL OF THE DEPARTMENT**
6 **OF DEFENSE.**

7 (a) **REDUCED END STRENGTH.**—The strength of the
8 Department of Defense in civilian personnel as of Septem-
9 ber 30, 1997, may not exceed the number that is equal
10 to 50 percent of the total authorized strength for active
11 duty personnel of the Armed Forces of the United States
12 as of that date.

13 (b) **GRADE DISTRIBUTION.**—

14 (1) **SAVINGS PROVISION.**—Subject to paragraph
15 (2), the Secretary of Defense shall ensure that the
16 grade (and similar classifications) distribution for
17 the civilian employee positions of the Department of
18 Defense as of September 30, 1997, is approximately
19 the same as the grade (and similar classifications)
20 distribution for the civilian employee positions of the
21 department as of September 30, 1987.

22 (2) **LOWER AVERAGE GRADE AUTHORIZED.**—
23 The Secretary may implement the reduction in civil-
24 ian personnel strength required by subsection (a) in
25 a manner that results in a reduction in the average

1 of the grades (and similar classifications) that are
2 authorized for all civilian employee positions of the
3 Department of Defense below the average of the
4 grades (and similar classifications) that are author-
5 ized for all civilian employee positions of the Depart-
6 ment of Defense as of September 30, 1993.

7 (c) WAIVER AUTHORITY.—The President may waive
8 the limitation in subsection (a) in the event of a war de-
9 clared by Congress or a national emergency declared by
10 the Congress or President.

11 **SEC. 107. CONSOLIDATION AND REDUCTION OF RECRUIT-**
12 **ING ACTIVITIES OF THE ARMED FORCES.**

13 (a) CONSOLIDATION AND REDUCTION OF RECRUIT-
14 ING ACTIVITIES.—The Secretary of Defense shall consoli-
15 date and reduce the recruiting activities of the Armed
16 Forces of the United States. In carrying out the preceding
17 sentence, the Secretary should take such actions as are
18 necessary to ensure that the quality of the personnel re-
19 cruited for enlistment or appointment in the Armed
20 Forces is at least equal to the quality of the personnel
21 recruited for enlistment or appointment in the Armed
22 Forces during fiscal year 1993.

23 (b) GOAL FOR SIZE OF RECRUITMENT ESTABLISH-
24 MENT BY FISCAL YEAR 1995.—In carrying out subsection
25 (a), it shall be the goal of the Secretary that the average

1 ratio of the number of recruiter personnel to persons re-
 2 cruited for enlistment or appointment in the Armed
 3 Forces of the United States for fiscal year 1995 not ex-
 4 ceed the average ratio of the number of recruiter personnel
 5 to persons recruited for enlistment or appointment in the
 6 Armed Forces for the period beginning on October 1,
 7 1983, and ending on September 30, 1989.

8 (c) PHASE-IN REQUIREMENT.—The Secretary of De-
 9 fense shall take such actions under subsection (a) as are
 10 necessary to achieve during fiscal year 1994 significant
 11 progress in meeting the goal set forth in subsection (b).

12 (d) WAIVER AUTHORITY.—The President may waive
 13 the goal in subsection (b) in the event of a war declared
 14 by Congress or a national emergency declared by Congress
 15 or the President.

16 **SEC. 108. USE OF COMMISSARY STORE REVENUES FOR OP-**
 17 **ERATIONS.**

18 (a) EXPENSES OF COMMISSARY OPERATIONS.—

19 (1) PAYMENT FROM REVENUES.—The text of
 20 section 2484 of title 10, United States Code, is
 21 amended to read as follows:

22 “(a) LIMITATION ON USE OF APPROPRIATED
 23 FUNDS.—Subject to subsection (c), funds appropriated to
 24 the Department of Defense may not be used to pay for
 25 the operation of any commissary store. The Secretary may

1 waive the prohibition in the preceding sentence to the ex-
2 tent that the Secretary determines necessary to ensure the
3 continued operation of a commissary store that, without
4 the availability of appropriated funds, would be severely
5 impaired by reason of the remote location of the com-
6 missary store or unusually high costs of operation or to
7 the extent that the Secretary determines otherwise nec-
8 essary for the welfare of personnel eligible to patronize
9 the commissary store.

10 “(b) SOURCE OF FUNDS.—The expenses of the oper-
11 ation of commissary stores shall be paid out of revenues
12 received from the operation of commissary stores.

13 “(c) AVAILABILITY OF REVENUES.—Revenues re-
14 ceived from the operation of commissary stores shall be
15 available without fiscal year limitation for paying the ex-
16 penses of the operation of commissary stores.”.

17 (2) EFFECTIVE DATE.—The amendment made
18 by paragraph (1) shall take effect on October 1,
19 1996.

20 (b) IMPLEMENTATION OF OPERATING EFFI-
21 CIENCIES.—The Secretary of Defense shall ensure that
22 the actions taken to increase the cost effectiveness of com-
23 missary store operations do not result in reduced benefits
24 for commissary store patrons with respect to the price of

1 goods and produce and do not adversely affect commissary
2 stores that are in remote or high cost locations.

3 (c) PHASED REDUCTION OF APPROPRIATIONS FOR
4 COMMISSARY STORE OPERATIONS.—

5 (1) AUTHORIZATION OF APPROPRIATIONS.—

6 Funds are authorized to be appropriated for the De-
7 partment of Defense for operation of commissary
8 stores as follows:

9 (A) For fiscal year 1994, the amount equal
10 to the amount expended for fiscal year 1993 for
11 operation of commissary stores out of funds ap-
12 propriated to the Department of Defense.

13 (B) For fiscal year 1995, the amount
14 equal to 75 percent of the amount authorized to
15 be appropriated for fiscal year 1994 under
16 paragraph (1).

17 (C) For fiscal year 1996, the amount equal
18 to 50 percent of the amount authorized to be
19 appropriated for fiscal year 1994 under para-
20 graph (1).

21 (2) SPECIAL RULE.—The Committees on Ap-
22 propriations of the Senate and House of Representa-
23 tives shall provide in reported bills making appro-
24 priations for the Department of Defense for each of
25 fiscal year 1994, 1995, or 1996, an amount for op-

1 eration of commissary stores for such fiscal year
2 that does not exceed the amount authorized by para-
3 graph (1) to be appropriated for that fiscal year re-
4 duced by a factor that is commensurate with the re-
5 duction in the size of the Armed Forces below the
6 size of the Armed Forces in fiscal year 1993.

7 **SEC. 109. USE OF ARMED FORCES FOR BASE OPERATIONS**
8 **AND CONSTRUCTION.**

9 (a) **USE OF MEMBERS AUTHORIZED.**—Under regula-
10 tions prescribed by the Secretary of the military depart-
11 ment concerned, members of the Armed Forces of the
12 United States may be used to perform a base operations
13 function or to carry out any or all of a military construc-
14 tion project if—

15 (1) the members used are assigned to an active
16 duty combat or combat support unit; and

17 (2) the use of such members contributes to the
18 development or maintenance of skills appropriate for
19 the members and the units of assignment or, at a
20 minimum, does not detract from the maintenance of
21 such skills.

22 (b) **EXCEPTION.**—(1) If the estimated total cost of
23 performance of a base operations function or of a military
24 construction project by members of the Armed Forces ex-
25 ceeds the estimated total cost of the performance of such

1 function or such project by a means described in para-
2 graph (2), the less costly means shall be used.

3 (2) The means of performance referred to in para-
4 graph (1) are as follows:

5 (A) Performance by civilian employees of the
6 Department of Defense.

7 (B) Performance by one or more civilian con-
8 tractors.

9 **SEC. 110. INCREASED BURDEN SHARING BY ALLIES OF THE**
10 **UNITED STATES.**

11 (a) **DEFENSE COST-SHARING AGREEMENTS.**—The
12 President shall enter into negotiations with each foreign
13 nation described in subsection (b)(1) to seek to conclude
14 an agreement that provides for such nation to pay a sig-
15 nificant portion of the costs to the United States that arise
16 from the stationing of members of the Armed Forces of
17 the United States and related civilian employees of the De-
18 partment of Defense in that nation as a result of the im-
19 plementation of a bilateral or multilateral defense agree-
20 ment with that nation.

21 (b) **FOREIGN NATIONS TO BE CONSULTED.**—The
22 foreign nations referred to in subsection (a) are the follow-
23 ing:

24 (1) Each member nation of the North Atlantic
25 Treaty Organization (other than the United States).

1 (2) Every other foreign nation with which the
2 United States has a bilateral or multilateral defense
3 agreement that provides for the assignment of com-
4 bat units of the Armed Forces of the United States
5 to permanent duty ashore in that nation or the
6 placement of combat equipment of the United States
7 in that nation.

8 (c) SIGNIFICANT PORTION OF COSTS DEFINED.—

9 For the purposes of this section, a foreign nation pays
10 a significant portion of the costs to the United States that
11 arise from the stationing of members of the Armed Forces
12 and related civilian employees of the Department of De-
13 fense in that nation as a result of the implementation of
14 a bilateral or multilateral defense agreement with that na-
15 tion if that nation defrays, through cash compensation or
16 in-kind contributions, or a combination thereof, at least
17 a percentage (not less than 40 percent nor more than 75
18 percent) of such costs that the Secretary of Defense deter-
19 mines significant taking into consideration—

20 (1) the requirements of the United States for
21 stationing members of the Armed Forces and related
22 civilian employees of the Department of Defense in
23 that foreign nation to meet the national security re-
24 quirements of the United States;

(2) the regional defense contributions of the foreign nation; and

(3) other national security priorities and objectives.

(d) COSTS EXCLUDED.—For the purposes of this section, the costs to the United States that arise from the stationing of members of the Armed Forces and related civilian employees of the Department of Defense in a foreign nation do not include the pay and allowances of such personnel.

TITLE II—DEPARTMENT OF STATE

SEC. 201. ELIMINATION OF REDUNDANT FOREIGN AFFAIRS ACTIVITIES.

(a) IN GENERAL.—The Secretary of State shall determine which foreign affairs programs, agencies, and activities, whether within or without the jurisdiction of the Department of State, are redundant, duplicative, outmoded, or obsolete.

(b) WITHIN THE DEPARTMENT OF STATE.—The Secretary shall undertake those actions necessary to streamline, consolidate, or eliminate those programs, agencies, and activities under the jurisdiction of the Department of State such that funding for such programs,

1 agencies, and activities equals a level constant in real
2 terms (inflation-adjusted) with the funding level in 1984.

3 (c) OUTSIDE THE DEPARTMENT OF STATE.—With
4 regard to those foreign affairs programs, agencies, and ac-
5 tivities outside the jurisdiction of the Department of State
6 which are redundant or duplicative of those administered
7 by the Department of State or which are outmoded or ob-
8 solete, the Secretary shall submit a report to Congress on
9 those foreign affairs programs, agencies, and activities.
10 Such report shall—

11 (1) describe the existence of all such duplication
12 and redundancy;

13 (2) discuss reasonable alternatives for consoli-
14 dating and streamlining such duplication and redun-
15 dancy (including the impact of the Federal budget);
16 and

17 (3) recommend what action should be under-
18 taken by the Congress or the Secretary of State with
19 respect to such programs, agencies, and activities
20 that would best serve the national security interests
21 of the United States.

1 **TITLE III—COMMITTEE ON AGRI-**
 2 **CULTURE, NUTRITION, AND**
 3 **FORESTRY**

4 **Subtitle A—Commodity Programs**

5 **SEC. 301. REDUCTION OF DEFICIENCY PAYMENTS.**

6 (a) WHEAT.—Section 107B(c)(1)(B)(iii) of the Agri-
 7 cultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(B)(iii)) is
 8 amended by striking “\$4.00 per bushel for each of the
 9 1991 through 1995 crops” and inserting “\$4.00 per bush-
 10 el for each of the 1991 through 1993 crops, \$3.76 per
 11 bushel for the 1994 crop, \$3.53 per bushel for the 1995
 12 crop, \$3.32 per bushel for the 1996 crop, \$3.12 per bushel
 13 for the 1997 crop, and \$2.94 per bushel for the 1998
 14 crop”.

15 (b) FEED GRAINS.—Section 105B(c)(1)(B)(iii) of
 16 such Act (7 U.S.C. 1444f(c)(1)(B)(iii)) is amended—

17 (1) in subclause (I), by striking “\$2.75 per
 18 bushel for each of the 1991 through 1995 crops of
 19 corn” and inserting “\$2.75 per bushel for each of
 20 the 1991 through 1993 crops, \$2.59 per bushel for
 21 the 1994 crop, \$2.43 per bushel for the 1995 crop,
 22 \$2.28 per bushel for the 1996 crop, \$2.15 per bush-
 23 el for the 1997 crop, and \$2.02 per bushel for the
 24 1998 crop”;

1 (2) in subclause (II), by striking “\$1.45 per
2 bushel” and inserting “\$1.45 per bushel for each of
3 the 1991 through 1993 crops, \$1.36 per bushel for
4 the 1994 crop, \$1.28 per bushel for the 1995 crop,
5 \$1.20 per bushel for the 1996 crop, \$1.13 per bush-
6 el for the 1997 crop, and \$1.06 per bushel for the
7 1998 crop”; and

8 (3) in subclause (III), by striking “\$2.61 per
9 bushel” and inserting “\$2.61 per bushel for each of
10 the 1991 through 1993 crops, \$2.38 per bushel for
11 the 1994 crop, \$2.24 per bushel for the 1995 crop,
12 \$2.10 per bushel for the 1996 crop, \$1.97 per bush-
13 el for the 1997 crop, and \$1.85 per bushel for the
14 1998 crop”.

15 (c) COTTON.—Section 103B(c)(1)(B)(ii) of such Act
16 (7 U.S.C. 1444–2(c)(1)(B)(ii)) is amended by striking
17 “\$0.729 per pound for each of the 1991 through 1997
18 crops” and inserting “\$0.729 per pound for each of the
19 1991 through 1993 crops, \$0.685 per pound for the 1994
20 crop, \$0.644 per pound for the 1995 crop, \$0.605 per
21 pound for the 1996 crop, \$0.569 per pound for the 1997
22 crop, and \$0.535 per pound for the 1998 crop”.

23 (d) RICE.—Section 101B(c)(1)(B)(iii) of such Act (7
24 U.S.C. 1441–2(c)(1)(B)(iii)) is amended by striking
25 “\$10.71 per hundredweight for each of the 1991 through

1 1995 crops” and inserting “\$10.71 per hundredweight for
 2 each of the 1991 through 1993 crops, \$10.07 per hun-
 3 dredweight for the 1994 crop, \$9.46 per hundredweight
 4 for the 1995 crop, \$8.90 per hundredweight for the 1996
 5 crop, \$8.36 per hundredweight for the 1997 crop, and
 6 \$7.86 per hundredweight for the 1998 crop”.

7 **SEC. 302. REDUCTION OF BASE ACREAGE ELIGIBLE FOR**
 8 **DEFICIENCY PAYMENTS.**

9 (a) WHEAT.—Section 107B(c)(1)(C)(ii) of the Agri-
 10 cultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(C)(ii)) is
 11 amended by striking “85 percent” and inserting “65 per-
 12 cent”.

13 (b) FEED GRAINS.—Section 105B(c)(1)(C)(ii) of
 14 such Act (7 U.S.C. 1444f(c)(1)(C)(ii)) is amended by
 15 striking “85 percent” and inserting “65 percent”.

16 (c) UPLAND COTTON.—Section 103B(c)(1)(C)(ii) of
 17 such Act (7 U.S.C. 1444–2(c)(1)(C)(ii)) is amended by
 18 striking “85 percent” and inserting “65 percent”.

19 (d) RICE.—Section 101B(c)(1)(C)(ii) of such Act (7
 20 U.S.C. 1441–2(c)(1)(C)(ii)) is amended by striking “85
 21 percent” and inserting “65 percent”.

22 **SEC. 303. INCREASED PRODUCER CONTRIBUTIONS FOR**
 23 **DAIRY PRICE SUPPORT PROGRAM.**

24 Section 204(h)(2) of the Agricultural Act of 1949 (7
 25 U.S.C. 1446e(h)(2)) is amended—

1 (1) in subparagraph (B), by striking “1992
2 through 1995” each place it appears and inserting
3 “1992 and 1993”; and

4 (2) in subparagraph (C), by striking “1996 and
5 1997, 10 cents” and inserting “1994 through 1998,
6 25 cents”.

7 **SEC. 304. REMOVAL OF MINIMUM PRICE PROVISIONS OF**
8 **MILK MARKETING ORDERS.**

9 Section 8c of the Agricultural Adjustment Act, reen-
10 acted with amendments by the Agricultural Marketing
11 Agreement Act of 1937 (7 U.S.C. 608c), is amended—

12 (1) in subsection (5)—

13 (A) in subparagraph (A), by striking
14 “used, and fixing,” and all that follows through
15 the period at the end of the subparagraph and
16 inserting “used.”;

17 (B) by striking subparagraphs (B), (C),
18 (D), (H), and (L);

19 (C) by redesignating subparagraphs (E),
20 (F), (G), (I), (J), and (K) as subparagraphs
21 (B), (C), (D), (E), (F), and (G), respectively;

22 (D) in subparagraph (B) (as so redesign-
23 nated), by striking “paragraph (F)” and insert-
24 ing “subparagraph (C)”;

(E) in subparagraph (C) (as so redesignated), by striking “producers: *Provided*,” and all that follows through the period at the end of the subparagraph and inserting “producers.”;

(F) in the second sentence of subparagraph (E) (as so redesignated), by striking “and such deductions shall be in addition to the adjustments authorized by subparagraph (B) of subsection 8c(5)”;

(G) by striking subparagraph (F) (as so redesignated) and inserting the following new subparagraph:

“(F) Providing for the payment, from the total sums payable by all handlers for milk (irrespective of the use classification of the milk), to handlers that are cooperative marketing associations described in subparagraph (C), for services of marketwide benefit, including—

“(i) providing facilities to furnish additional supplies of milk needed by handlers and to handle and dispose of milk supplies in excess of quantities needed by handlers;

“(ii) handling on specific days quantities of milk that exceed the quantities needed by handlers; and

1 “(iii) transporting milk from one location to an-
 2 other for providing a market outlet for milk of any
 3 use classification.”;

4 (2) in subsection (6)(G)(iii), by striking “; such
 5 allotment shall constitute an allotment fixed for that
 6 handler within the meaning of subsection (5) of sec-
 7 tion 8a of this title (U.S.C. 1940 edition, title 7, sec.
 8 608a)”;

9 (3) by striking subsection (18);

10 (4) by redesignating subsection (19) as sub-
 11 section (18); and

12 (5) in the fifth sentence of subsection (18) (as
 13 so redesignated), by striking “as provided in sub-
 14 section (12) of this section”.

15 **SEC. 305. ELIMINATION OF WOOL AND MOHAIR PRICE SUP-**
 16 **PORT PROGRAM.**

17 (a) IN GENERAL.—The National Wool Act of 1954
 18 (7 U.S.C. 1781 et seq.) is repealed.

19 (b) CONFORMING AMENDMENTS.—Section 256(a) of
 20 the Balanced Budget and Emergency Deficit Control Act
 21 of 1985 (2 U.S.C. 906(a)) is amended—

22 (1) by striking paragraph (1); and

23 (2) by redesignating paragraphs (2) and (3) as
 24 paragraphs (1) and (2), respectively.

1 **SEC. 306. ELIMINATION OF HONEY PRICE SUPPORT PRO-**
 2 **GRAM.**

3 (a) IN GENERAL.—Sections 207 and 405A of the Ag-
 4 ricultural Act of 1949 (7 U.S.C. 1446h and 1425a, respec-
 5 tively) are repealed.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 1001(2) of the Food Security Act of
 8 1985 (7 U.S.C. 1308(2)) is amended—

9 (A) in subparagraph (B)(iii), by striking
 10 “(other than honey)”; and

11 (B) by striking subparagraph (C).

12 (2) Section 201(a) of the Agricultural Act of
 13 1949 (7 U.S.C. 1446(a)) is amended by striking
 14 “honey,”.

15 (3) Section 301 of such Act (7 U.S.C. 1447) is
 16 amended by inserting after “nonbasic agricultural
 17 commodity” the following: “(other than honey)”.

18 (4) Section 408(k) of such Act (7 U.S.C.
 19 1428(k)) is amended by striking “honey,” each place
 20 it appears.

21 **SEC. 307. TRANSITION PROVISION.**

22 The amendments made by this subtitle shall not af-
 23 fect the liability of any person under any provision of law
 24 as in effect before the effective date of this subtitle.

1 **SEC. 308. EFFECTIVE DATE.**

2 This subtitle and the amendments made by this sub-
3 title shall apply beginning with—

4 (1) in the case of wheat, feed grains, upland
5 cotton, rice, and honey, the 1994 crop year;

6 (2) in the case of milk, the 1994 calendar year;
7 and

8 (3) in the case of wool and mohair, the market-
9 ing year beginning January 1, 1994.

10 **Subtitle B—Replacement of Fed-**
11 **eral Crop Insurance with Emer-**
12 **gency Crop Loss Assistance**

13 **SEC. 321. EMERGENCY CROP LOSS ASSISTANCE.**

14 The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)
15 is amended by adding at the end the following new title:

16 **“TITLE VII—EMERGENCY CROP**
17 **LOSS ASSISTANCE**

18 **“Subtitle A—Annual Crops**

19 **“SEC. 701. PAYMENTS TO PROGRAM PARTICIPANTS FOR**
20 **TARGET PRICE COMMODITIES.**

21 **“(a) DISASTER PAYMENTS.—**

22 **“(1) IN GENERAL.—**Effective only for produc-
23 ers on a farm who elected to participate in the pro-
24 duction adjustment program established under this
25 Act for a crop of wheat, feed grains, upland cotton,
26 extra long staple cotton, or rice, except as otherwise

provided in this subsection, if the Secretary determines that, because of damaging weather or related condition in the immediately preceding or then current crop year, the total quantity of the crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for the crop, the Secretary shall make a disaster payment available to the producers at a rate equal to 65 percent of the established price for the crop for any deficiency in production greater than 40 percent for the crop.

“(2) LIMITATION.—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm with respect to any acreage in excess of the permitted acreage for the farm for the commodity.

“(3) REDUCTION IN DEFICIENCY PAYMENTS.—The total quantity of a crop of a commodity on which deficiency payments otherwise would be payable to producers on a farm under this Act shall be

1 reduced by the quantity on which a payment is made
2 to the producers for the crop under paragraph (1).

3 “(4) ELECTION OF PAYMENTS.—

4 “(A) APPLICATION OF PARAGRAPH.—This
5 paragraph shall apply, effective for each crop of
6 wheat, feed grains, upland cotton, extra long
7 staple cotton, and rice, to producers on a farm
8 who—

9 “(i) had failed wheat, feed grain, up-
10 land cotton, extra long staple cotton, or
11 rice acreage; or

12 “(ii) were prevented from planting
13 acreage to the commodity because of dam-
14 aging weather or related condition in the
15 immediately preceding or then current crop
16 year.

17 “(B) ELECTION.—The Secretary shall
18 (within 30 days after the date of enactment of
19 this title) permit producers referred to in sub-
20 paragraph (A) to elect whether to receive disas-
21 ter payments in accordance with this section in
22 lieu of payments received under other titles of
23 this Act.

24 “(b) ADVANCE DEFICIENCY PAYMENTS.—

1 “(1) APPLICATION OF SUBSECTION.—This sub-
2 section shall apply only to producers on a farm who
3 elected to participate in the production adjustment
4 program established under this Act for a crop of
5 wheat, feed grains, upland cotton, extra long staple
6 cotton, or rice.

7 “(2) FORGIVENESS OF REFUND REQUIRE-
8 MENT.—If because of damaging weather or related
9 condition in the immediately preceding or then cur-
10 rent crop year the total quantity of the crop of the
11 commodity that the producers are able to harvest on
12 the farm is less than the result of multiplying the
13 farm program payment yield established by the Sec-
14 retary for the crop by the sum of the acreage plant-
15 ed for harvest and the acreage prevented from being
16 planted (because of a natural disaster, as deter-
17 mined by the Secretary) for the crop (referred to in
18 this section as the ‘qualifying quantity’), the produc-
19 ers shall not be required to refund any advance defi-
20 ciency payment made to the producers for the crop
21 under section 107C with respect to that portion of
22 the deficiency in production that does not exceed 40
23 percent of the qualifying quantity.

24 “(3) ELECTION FOR NONRECIPIENTS.—The
25 Secretary shall allow producers on a farm who elect-

1 ed, prior to the date of enactment of this title, not
 2 to receive advance deficiency payments made avail-
 3 able for the crop under section 107C, to elect (with-
 4 in 30 days after the date of the enactment of this
 5 title) whether to receive the advance deficiency pay-
 6 ments.

7 “(4) DATE OF REFUND FOR PAYMENTS.—Ef-
 8 fective for each crop of wheat, feed grains, upland
 9 cotton, and rice, if the Secretary determines that
 10 any portion of the advance deficiency payment made
 11 to producers for the crop under section 107C must
 12 be refunded, the refund shall not be required prior
 13 to July 31 of the succeeding calendar year, for that
 14 portion of the crop for which a disaster payment is
 15 made under subsection (a).

16 **“SEC. 702. PAYMENTS TO PROGRAM NONPARTICIPANTS**
 17 **FOR TARGET PRICE COMMODITIES.**

18 “(a) DISASTER PAYMENTS.—

19 “(1) IN GENERAL.—Effective only for produc-
 20 ers on a farm who elected not to participate in the
 21 production adjustment program established under
 22 this Act for a crop of wheat, feed grains, upland cot-
 23 ton, extra long staple cotton, or rice, if the Secretary
 24 determines that because of damaging weather or re-
 25 lated condition in the immediately preceding or then

1 current crop year, the total quantity of the crop of
2 the commodity that the producers are able to har-
3 vest on the farm is less than the result of multiply-
4 ing 40 percent of the county average yield estab-
5 lished by the Secretary for the crop by the sum of
6 acreage planted for harvest and the acreage for
7 which prevented planted credit is approved by the
8 Secretary for the crop under subsection (b), the Sec-
9 retary shall make a disaster payment available to
10 the producers.

11 “(2) PAYMENT RATE.—The payment shall be
12 made to the producers at a rate equal to 65 percent
13 of the basic county loan rate (or a comparable price
14 if there is no current basic county loan rate) for the
15 crop, as determined by the Secretary, for any defi-
16 ciency in production greater than 40 percent for the
17 crop.

18 “(b) PREVENTED PLANTING CREDIT.—

19 “(1) IN GENERAL.—The Secretary shall provide
20 prevented planting credit under subsection (a) with
21 respect to acreage that producers on a farm were
22 prevented from planting to a crop of the commodity
23 for harvest because of damaging weather or related
24 condition in the immediately preceding or then cur-
25 rent crop year, as determined by the Secretary.

1 “(2) MAXIMUM ACREAGE.—The acreage may
2 not exceed the greater of—

3 “(A) a quantity equal to the acreage on
4 the farm planted (or prevented from being
5 planted due to a natural disaster or other con-
6 dition beyond the control of the producers) to
7 the commodity for harvest in the immediately
8 preceding crop year minus acreage actually
9 planted for harvest in the then current crop
10 year; or

11 “(B) a quantity equal to the average of the
12 acreage on the farm planted (or prevented from
13 being planted due to a natural disaster or other
14 condition beyond the control of the producers)
15 to the commodity for harvest in the 3 imme-
16 diately preceding crop years minus acreage ac-
17 tually planted to the commodity for harvest in
18 the then current crop year.

19 “(3) ADJUSTMENTS.—The Secretary shall
20 make appropriate adjustments in applying the limi-
21 tations contained in paragraph (2) to take into ac-
22 count crop rotation practices of the producers.

23 “(c) LIMITATION.—The amount of payments made
24 available to producers on a farm for a crop of a commodity
25 under subsection (a) shall be reduced by a factor equiva-

1 lent to the acreage limitation program percentage estab-
2 lished for the crop under this Act.

3 **“SEC. 703. PEANUTS, SUGAR, AND TOBACCO.**

4 **“(a) DISASTER PAYMENTS.—**

5 **“(1) IN GENERAL.—**Effective for each crop of
6 peanuts, sugar beets, sugarcane, and tobacco, if the
7 Secretary determines that, because of damaging
8 weather or related condition in the immediately pre-
9 ceding or then current crop year, the total quantity
10 of the crop of the commodity that the producers on
11 a farm are able to harvest is less than the result of
12 multiplying 60 percent of the county average yield
13 (or program yield, in the case of peanuts) estab-
14 lished by the Secretary for the crop by the sum of
15 the acreage planted for harvest and the acreage for
16 which prevented planted credit is approved by the
17 Secretary for the crop under subsection (b), the Sec-
18 retary shall make a disaster payment available to
19 the producers.

20 **“(2) PAYMENT RATE.—**The payment shall be
21 made to the producers at a rate equal to 65 percent
22 of the applicable payment level under paragraph (3),
23 as determined by the Secretary, for any deficiency in
24 production greater than—

25 **“(A) 40 percent for the crop; or**

1 “(B) with respect to a crop of burley to-
2 bacco or flue-cured tobacco, 40 percent of the
3 farm’s effective marketing quota for the crop.

4 “(3) PAYMENT LEVEL.—For purposes of para-
5 graph (1), the payment level for a commodity shall
6 be equal to—

7 “(A) for peanuts, the price support level
8 for quota peanuts or the price support level for
9 additional peanuts, as applicable;

10 “(B) for tobacco, the national average loan
11 rate for the type of tobacco involved, or (if
12 there is none) the market price, as determined
13 under section 704(a)(2); and

14 “(C) for sugar beets and sugarcane, a level
15 determined by the Secretary to be fair and rea-
16 sonable in relation to the level of price support
17 established for the crops of sugar beets and
18 sugarcane, and that, insofar as is practicable,
19 shall reflect no less return to the producer than
20 under the price support levels for the crops.

21 “(b) PREVENTED PLANTING CREDIT.—

22 “(1) IN GENERAL.—The Secretary shall provide
23 prevented planting credit under subsection (a) with
24 respect to acreage that producers on a farm were
25 prevented from planting to the crop of the commod-

1 ity for harvest because of damaging weather or re-
2 lated condition in the immediately preceding or then
3 current crop year, as determined by the Secretary.

4 “(2) MAXIMUM ACREAGE.—The acreage may
5 not exceed the greater of—

6 “(A) a quantity equal to the acreage on
7 the farm planted (or prevented from being
8 planted due to a natural disaster or other con-
9 dition beyond the control of the producers) to
10 the commodity for harvest in the immediately
11 preceding crop year minus acreage actually
12 planted for harvest in the then current crop
13 year; or

14 “(B) a quantity equal to the average of the
15 acreage on the farm planted (or prevented from
16 being planted due to a natural disaster or other
17 condition beyond the control of the producers)
18 to the commodity for harvest in the 3 imme-
19 diately preceding crop years minus acreage ac-
20 tually planted to the commodity for harvest in
21 the then current crop year.

22 “(3) ADJUSTMENTS.—The Secretary shall
23 make appropriate adjustments in applying the limi-
24 tations contained in paragraph (2) to take into ac-

1 count crop rotation practices of the producers and
2 any change in quotas for the crops of tobacco.

3 “(c) SPECIAL RULES FOR PEANUTS.—Notwithstand-
4 ing any other provision of law—

5 “(1) a deficiency in production of quota peanuts
6 from a farm, as otherwise determined under this
7 section, shall be reduced by the quantity of peanut
8 poundage quota that was the basis of the anticipated
9 production that has been transferred from the farm;

10 “(2) payments made under this section shall be
11 made taking into account whether the deficiency for
12 which the deficiency in production is claimed was a
13 deficiency in production of quota or additional pea-
14 nuts and the payment rate shall be established ac-
15 cordingly; and

16 “(3) the quantity of undermarketings of quota
17 peanuts from a farm for a crop that may otherwise
18 be claimed under section 358 of the Agricultural Ad-
19 justment Act of 1938 (7 U.S.C. 1358) for purposes
20 of future quota increases shall be reduced by the
21 quantity of the deficiency of production of the pea-
22 nuts for which payment has been received under this
23 section.

24 “(d) SPECIAL RULES FOR TOBACCO.—Notwithstand-
25 ing any other provision of law—

“(1) the quantity of undermarketings of quota tobacco from a farm for a crop that may otherwise be claimed under section 317 or 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c or 1314e) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of the tobacco for which payment has been received under this section; and

“(2) disaster payments made to producers under this section may not be considered by the Secretary in determining the net losses of the Commodity Credit Corporation under section 106A(d).

“(e) SPECIAL RULE FOR SUGARCANE.—For purposes of determining the total quantity of a crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.

“SEC. 704. SOYBEANS AND NONPROGRAM CROPS.

“(a) DISASTER PAYMENTS.—

“(1) IN GENERAL.—

“(A) ELIGIBILITY.—Effective for each crop of soybeans and nonprogram crops, if the Secretary determines that, because of damaging weather or related condition in the immediately preceding or then current crop year, the total

1 quantity of the crop of the commodity that the
2 producers on a farm are able to harvest is less
3 than—

4 “(i) with respect to soybeans and sun-
5 flowers, the result of multiplying 60 per-
6 cent of the State, area, or county yield, ad-
7 justed for adverse weather conditions dur-
8 ing the 3 immediately preceding crop
9 years, as determined by the Secretary, for
10 the crop by the sum of the acreage planted
11 for harvest and the acreage for which pre-
12 vented planting credit is approved by the
13 Secretary for the crop under subsection
14 (b);

15 “(ii) with respect to nonprogram
16 crops (other than as provided in clauses (i)
17 and (iii)), the result of multiplying 60 per-
18 cent of the yield established by the Com-
19 modity Credit Corporation under sub-
20 section (d)(2) for the crop by the sum of
21 the acreage planted for harvest and the
22 acreage for which prevented planting credit
23 is approved by the Secretary for the crop
24 under subsection (b); and

“(iii) with respect to crops covered in section 201(b), 60 percent of the historical annual yield of the producers for the crops, as determined by the Secretary, the Secretary shall make a disaster payment available to the producers.

“(B) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 40 percent for soybeans, sunflowers, and other nonprogram crops for the crop.

“(2) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (3), during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

“(3) CALCULATION OF PAYMENTS FOR DIFFERENT VARIETIES.—

1 “(A) CROP-BY-CROP BASIS.—The Sec-
2 retary shall make disaster payments under this
3 subsection on a crop-by-crop basis, with consid-
4 eration given to markets and uses of the crops,
5 under regulations issued by the Secretary.

6 “(B) DIFFERENT VARIETIES.—For pur-
7 poses of determining the payment levels on a
8 crop-by-crop basis, the Secretary shall consider
9 as separate crops, and develop separate pay-
10 ment levels insofar as is practicable for, dif-
11 ferent varieties of the same commodity, and
12 commodities for which there is a significant dif-
13 ference in the economic value in the market.

14 “(C) DOUBLE CROPPING.—

15 “(i) TREATED SEPARATELY.—In the
16 case of a crop that is historically double
17 cropped (including two crops of the same
18 commodity) by the producers on a farm,
19 the Secretary shall treat each cropping
20 separately for purposes of determining
21 whether the crop was affected by damaging
22 weather or related condition and the total
23 quantity of the crop that the producers are
24 able to harvest.

1 “(ii) APPLICATION OF PARAGRAPH.—

2 This paragraph shall not apply in the case
3 of a replacement crop.

4 “(4) EXCLUSIONS FROM HARVESTED QUAN-
5 TITIES.—For purposes of determining the total
6 quantity of the nonprogram crop of the commodity
7 that the producers on a farm are able to harvest
8 under paragraph (1), the Secretary shall exclude—

9 “(A) commodities that cannot be sold in
10 normal commercial channels of trade; and

11 “(B) dockage, including husks and shells,
12 if the dockage is excluded in determining yields
13 under subsection (d)(2).

14 “(b) PREVENTED PLANTING CREDIT.—

15 “(1) IN GENERAL.—The Secretary shall provide
16 prevented planting credit under subsection (a) with
17 respect to acreage that producers on a farm were
18 prevented from planting to the crop of the commod-
19 ity for harvest because of damaging weather or re-
20 lated condition in the immediately preceding or then
21 current crop year, as determined by the Secretary.

22 “(2) MAXIMUM ACREAGE.—The acreage may
23 not exceed the greater of—

24 “(A) a quantity equal to the acreage on
25 the farm planted (or prevented from being

1 planted due to a natural disaster or other con-
 2 dition beyond the control of the producers) to
 3 the commodity for harvest in the immediately
 4 preceding crop year minus acreage actually
 5 planted for harvest in the then current crop
 6 year; or

7 “(B) a quantity equal to the average of the
 8 acreage on the farm planted (or prevented from
 9 being planted due to a natural disaster or other
 10 condition beyond the control of the producers)
 11 to the commodity for harvest in the 3 imme-
 12 diately preceding crop years minus acreage ac-
 13 tually planted to the commodity for harvest in
 14 the then current crop year.

15 “(3) ADJUSTMENTS.—The Secretary shall
 16 make appropriate adjustments in applying the limi-
 17 tations contained in paragraph (2) to take into ac-
 18 count crop rotation practices of the producers.

19 “(c) SPECIAL RULES FOR NONPROGRAM CROPS.—

20 “(1) DEFINITION OF NONPROGRAM CROP.—As
 21 used in this section, the term ‘nonprogram crop’
 22 means all crops for which crop insurance through
 23 the Federal Crop Insurance Corporation was avail-
 24 able for crop year 1990, and other commercial crops
 25 (including ornamentals which shall include flowering

1 shrubs, flowering trees, and field or container grown
2 roses or turf and sweet potatoes for which the insur-
3 ance was not available for the crop year), except
4 that the term shall not include a crop covered under
5 section 701, 702, or 703, soybeans, or sunflowers.

6 “(2) FARM YIELDS.—

7 “(A) ESTABLISHMENT.—The Commodity
8 Credit Corporation shall establish disaster pro-
9 gram farm yields for nonprogram crops to carry
10 out this section.

11 “(B) PROVEN YIELDS AVAILABLE.—If the
12 producers on a farm can provide satisfactory
13 evidence to the Commodity Credit Corporation
14 of actual crop yields on the farm for at least 1
15 of the immediately preceding 3 crop years, the
16 yield for the farm shall be based on the proven
17 yield.

18 “(C) PROVEN YIELDS NOT AVAILABLE.—If
19 the data do not exist for any of the 3 imme-
20 diately preceding crop years, the Commodity
21 Credit Corporation shall establish a yield for
22 the farm by using a county average yield for
23 the commodity, or by using other data available
24 to it.

1 “(D) COUNTY AVERAGE YIELDS.—In es-
2 tablishing county average yields for nonprogram
3 crops, the Commodity Credit Corporation shall
4 use the best available information concerning
5 yields. The information may include extension
6 service records, credible nongovernmental stud-
7 ies, and yields in similar counties.

8 “(3) RESPONSIBILITY OF PRODUCERS.—It shall
9 be the responsibility of the producers of nonprogram
10 crops to provide satisfactory evidence of crop losses
11 for a crop year resulting from damaging weather or
12 related condition in the immediately preceding or
13 then current crop year in order for the producers to
14 obtain disaster payments under this section.

15 **“SEC. 705. CROP QUALITY REDUCTION DISASTER PAY-**
16 **MENTS.**

17 “(a) IN GENERAL.—To ensure that all producers of
18 crops covered under sections 701 through 704 are treated
19 equitably, the Secretary may make additional disaster pay-
20 ments to producers of the crops who suffer losses resulting
21 from the reduced quality of the crops caused by damaging
22 weather or related condition in the immediately preceding
23 or then current crop year, as determined by the Secretary.

24 “(b) ELIGIBLE PRODUCERS.—If the Secretary deter-
25 mines to make crop quality disaster payments available

1 to producers under subsection (a), producers on a farm
 2 of a crop described in subsection (a) shall be eligible to
 3 receive reduced quality disaster payments only if the pro-
 4 ducers incur a deficiency in production of not less than
 5 35 percent and not more than 75 percent for the crop
 6 (as determined under section 701, 702, 703, or 704, as
 7 appropriate).

8 “(c) MAXIMUM PAYMENT RATE.—The Secretary
 9 shall establish the reduced quality disaster payment rate,
 10 except that the rate shall not exceed 10 percent, as deter-
 11 mined by the Secretary, of—

12 “(1) the established price for the crop, for com-
 13 modities covered under section 701;

14 “(2) the basic county loan rate for the crop (or
 15 a comparable price if there is no current basic coun-
 16 ty loan rate), for commodities covered under section
 17 702;

18 “(3) the payment level under section 703(a)(3),
 19 for commodities covered by section 703; and

20 “(4) the payment level under section 704(a)(2),
 21 for commodities covered under section 704.

22 “(d) DETERMINATION OF PAYMENT.—The amount
 23 of payment to a producer under this section shall be deter-
 24 mined by multiplying the payment rate established under
 25 subsection (c) by the portion of the actual harvested crop

1 on the producer's farm that is reduced in quality by the
2 natural disaster in the immediately preceding or then cur-
3 rent crop year, as determined by the Secretary.

4 **"SEC. 706. CROPS HARVESTED FOR FORAGE USES.**

5 "Not later than 45 days after funds are appropriated
6 to carry out this title, the Secretary shall announce the
7 terms and conditions by which producers on a farm may
8 establish a yield for the crop year with respect to crops
9 that will be harvested for silage and other forage uses.

10 **"SEC. 707. PAYMENT LIMITATIONS.**

11 "(a) LIMITATION.—Subject to subsections (b) and
12 (c), the total amount of payments that a person shall be
13 entitled to receive under one or more of the programs es-
14 tablished under this subtitle may not exceed \$100,000.

15 "(b) NO DOUBLE BENEFITS.—No person may re-
16 ceive disaster payments under this subtitle to the extent
17 that the person receives a livestock emergency benefit for
18 lost feed production in the crop year under section 606.

19 "(c) COMBINED LIMITATION.—

20 "(1) IN GENERAL.—No person may receive any
21 payment under this subtitle or benefit under title VI
22 for livestock emergency losses suffered in the crop
23 year if the payment or benefit will cause the com-
24 bined total amount of the payments and benefits re-
25 ceived by the person to exceed \$100,000.

1 “(2) ELECTION.—If a producer is subject to
2 paragraph (1), the person may elect (subject to the
3 benefits limitations under section 609) whether to
4 receive the \$100,000 in the payments or the live-
5 stock emergency benefits (not to exceed \$50,000), or
6 a combination of payments and benefits specified by
7 the person.

8 “(d) REGULATIONS.—The Secretary shall issue
9 regulations—

10 “(1) defining the term ‘person’ for the purposes
11 of this section and section 741, which shall conform,
12 to the extent practicable, to the regulations defining
13 the term ‘person’ issued under—

14 “(A) section 1001 of the Food Security
15 Act of 1985 (7 U.S.C. 1308);

16 “(B) the Disaster Assistance Act of 1988
17 (7 U.S.C. 1421 note); and

18 “(C) chapter 3 of subtitle B of title XXII
19 of the Food, Agriculture, Conservation, and
20 Trade Act of 1990 (7 U.S.C. 1421 note); and

21 “(2) prescribing such procedures as the Sec-
22 retary determines necessary to ensure a fair and
23 reasonable application of the limitations established
24 under this section.

1 **“SEC. 708. DEFINITIONS.**

2 “As used in this title:

3 “(1) **DAMAGING WEATHER.**—The term ‘damag-
4 ing weather’ includes drought, hail, excessive mois-
5 ture, freeze, tornado, hurricane, earthquake, or ex-
6 cessive wind, or any combination thereof.

7 “(2) **RELATED CONDITION.**—The term ‘related
8 condition’ includes insect infestations, plant diseases,
9 or other deterioration of a crop of a commodity, in-
10 cluding aflatoxin, that is accelerated or exacerbated
11 naturally as a result of damaging weather occurring
12 prior to or during harvest.

13 **“Subtitle B—Orchards**

14 **“SEC. 721. ELIGIBILITY.**

15 “(a) **LOSS.**—Subject to the limitation in subsection
16 (b), the Secretary shall provide assistance, as specified in
17 section 722, to eligible orchardists that planted trees for
18 commercial purposes but lost the trees as a result of
19 freeze, earthquake, or related condition in a crop year, as
20 determined by the Secretary.

21 “(b) **LIMITATION.**—An eligible orchardist shall qual-
22 ify for assistance under subsection (a) only if the orchard-
23 ist’s tree mortality, as a result of the natural disaster, ex-
24 ceeds 35 percent (adjusted for normal mortality).

1 **“SEC. 722. ASSISTANCE.**

2 “The assistance provided by the Secretary to eligible
3 orchardists for losses described in section 721 shall consist
4 of either—

5 “(1) reimbursement of 65 percent of the cost of
6 replanting trees lost due to freeze, earthquake, or re-
7 lated condition in the crop year in excess of 35 per-
8 cent mortality (adjusted for normal mortality); or

9 “(2) at the discretion of the Secretary, suffi-
10 cient seedlings to reestablish the stand.

11 **“SEC. 723. LIMITATION ON ASSISTANCE.**

12 “(a) LIMITATION.—The total amount of payments
13 that a person shall be entitled to receive under this subtitle
14 may not exceed \$25,000, or an equivalent value in tree
15 seedlings.

16 “(b) REGULATIONS.—The Secretary shall issue
17 regulations—

18 “(1) defining the term ‘person’ for the purposes
19 of this subtitle, which shall conform, to the extent
20 practicable, to the regulations defining the term
21 ‘person’ issued under—

22 “(A) section 1001 of the Food Security
23 Act of 1985 (7 U.S.C. 1308);

24 “(B) the Disaster Assistance Act of 1988
25 (7 U.S.C. 1421 note); and

1 “(C) chapter 3 of subtitle B of title XXII
 2 of the Food, Agriculture, Conservation, and
 3 Trade Act of 1990 (7 U.S.C. 1421 note); and
 4 “(2) prescribing such procedures as the Sec-
 5 retary determines necessary to ensure a fair and
 6 reasonable application of the limitation established
 7 under this section.

8 **“SEC. 724. DUPLICATIVE PAYMENTS.**

9 “The Secretary shall establish guidelines to ensure
 10 that no person receives duplicative payments under this
 11 subtitle and the forestry incentives program, agricultural
 12 conservation program, or other Federal program.

13 **“SEC. 725. DEFINITION.**

14 “As used in this subtitle, the term ‘eligible orchardist’
 15 means a person who produces annual crops from trees for
 16 commercial purposes and owns 500 acres or less of the
 17 trees.

18 **“Subtitle C—Forest Crops**

19 **“SEC. 731. ELIGIBILITY.**

20 “(a) LOSS.—Subject to the limitation in subsection
 21 (b), the Secretary shall provide assistance, as specified in
 22 section 732, to eligible tree farmers that planted tree seed-
 23 lings in the immediately preceding or then current crop
 24 year for commercial purposes but lost the seedlings as a

1 result of drought, earthquake, or related condition in the
2 then current crop year, as determined by the Secretary.

3 “(b) LIMITATION.—An eligible tree farmer shall qual-
4 ify for assistance under subsection (a) only if the tree
5 farmer’s tree seedling mortality, as a result of the natural
6 disaster, exceeds 35 percent (adjusted for normal mortal-
7 ity).

8 **“SEC. 732. ASSISTANCE.**

9 “The assistance provided by the Secretary to eligible
10 tree farmers for losses described in section 731 shall con-
11 sist of either—

12 “(1) reimbursement of 65 percent of the cost of
13 replanting seedlings lost due to drought, earthquake,
14 or related conditions in the crop year in excess of 35
15 percent mortality (adjusted for normal mortality); or

16 “(2) at the discretion of the Secretary, suffi-
17 cient tree seedlings to reestablish the stand.

18 **“SEC. 733. LIMITATION ON ASSISTANCE.**

19 “(a) LIMITATION.—The total amount of payments
20 that a person shall be entitled to receive under this subtitle
21 may not exceed \$25,000, or an equivalent value in tree
22 seedlings.

23 “(b) REGULATIONS.—The Secretary shall issue
24 regulations—

1 “(1) defining the term ‘person’ for the purposes
2 of this subtitle, which shall conform, to the extent
3 practicable, to the regulations defining the term
4 ‘person’ issued under—

5 “(A) section 1001 of the Food Security
6 Act of 1985;

7 “(B) the Disaster Assistance Act of 1988
8 (7 U.S.C. 1421 note); and

9 “(C) chapter 3 of subtitle B of title XXII
10 of the Food, Agriculture, Conservation, and
11 Trade Act of 1990 (7 U.S.C. 1421 note); and

12 “(2) prescribing such procedures as the Sec-
13 retary determines necessary to ensure a fair and
14 reasonable application of the limitation established
15 under this section.

16 **“SEC. 734. DUPLICATIVE PAYMENTS.**

17 “The Secretary shall establish guidelines to ensure
18 that no person receives duplicative payments under this
19 subtitle and the forestry incentives program, agricultural
20 conservation program, or other Federal program.

21 **“SEC. 735. DEFINITION.**

22 “As used in this subtitle, the term ‘eligible tree farm-
23 er’ means a person who grows trees for harvest for com-
24 mercial purposes and owns 1,000 acres or less of the trees.

“Subtitle D—Administrative Provisions

“SEC. 741. INELIGIBILITY.

“(a) GENERAL RULE.—A person who has qualifying gross revenues in excess of \$2,000,000 annually, as determined by the Secretary, shall not be eligible to receive any disaster payment or other benefits under this title.

“(b) QUALIFYING GROSS REVENUES.—For purposes of this section, the term ‘qualifying gross revenues’ means—

“(1) if a majority of the annual income of the person is received from farming, ranching, and forestry operations, the gross revenue from the farming, ranching, and forestry operations of the person; and

“(2) if less than a majority of the annual income of the person is received from farming, ranching, and forestry operations, the gross revenue of the person from all sources.

“SEC. 742. TIMING AND MANNER OF ASSISTANCE.

“(a) TIMING OF ASSISTANCE.—

“(1) ASSISTANCE MADE AVAILABLE AS SOON AS PRACTICABLE.—Subject to paragraph (2), the Secretary shall make disaster assistance available under this title as soon as practicable after the date on

1 which appropriations are made available to carry out
2 this title.

3 “(2) COMPLETED APPLICATION.—No payment
4 or benefit provided under this title shall be payable
5 or due until such time as a completed application for
6 a crop or a commodity has been approved.

7 “(b) MANNER.—The Secretary may make payments
8 available under this title in the form of cash, commodities,
9 or commodity certificates, as determined by the Secretary.

10 **“SEC. 743. COMMODITY CREDIT CORPORATION.**

11 “(a) USE.—The Secretary shall use the funds, facili-
12 ties, and authorities of the Commodity Credit Corporation
13 in carrying out this title.

14 “(b) EXISTING AUTHORITY.—The authority provided
15 by this title shall be in addition to, and not in place of,
16 any authority granted to the Secretary or the Commodity
17 Credit Corporation under any other provision of law.

18 **“SEC. 744. EMERGENCY LOANS.**

19 “Section 321(b) of the Consolidated Farm and Rural
20 Development Act (7 U.S.C. 1961(b)) shall not apply to
21 persons who otherwise would be eligible for an emergency
22 loan under subtitle C of such Act, if the eligibility is the
23 result of damage to an annual crop planted for harvest
24 in a crop year.

1 **“SEC. 745. REGULATIONS.**

2 “The Secretary or the Commodity Credit Corpora-
3 tion, as appropriate, shall issue regulations to implement
4 this title as soon as practicable after the date on which
5 appropriations are made available to carry out this title,
6 without regard to the requirement for notice and public
7 participation in rule making prescribed in section 553 of
8 title 5, United States Code, or in any directive of the Sec-
9 retary.

10 **“Subtitle E—Appropriations**

11 **“SEC. 751. AUTHORIZATION OF APPROPRIATIONS.**

12 “Any benefits or assistance (including the forgiveness
13 of unearned advanced deficiency payments of any emer-
14 gency loans) made available under this title shall be pro-
15 vided only to the extent provided for in advance in appro-
16 priations Acts. To carry out this title there are authorized
17 to be appropriated such sums as may be necessary for
18 each fiscal year.

19 **“SEC. 752. PRORATION OF BENEFITS.**

20 “Any funds made available for carrying out this title
21 in appropriations Acts shall be prorated to all producers
22 who are eligible for assistance under this title.”.

23 **SEC. 322. ELIMINATION OF FEDERAL CROP INSURANCE.**

24 (a) **IN GENERAL.**—The Federal Crop Insurance Act
25 (7 U.S.C. 1501 et seq.) is repealed.

26 (b) **CONFORMING AMENDMENTS.**—

1 (1) Section 255(g)(2) of the Balanced Budget
2 and Emergency Deficit Control Act of 1985 (2
3 U.S.C. 905(g)(2)) is amended by striking the follow-
4 ing:

5 “Federal Crop Insurance Corporation fund
6 (12-4085-0-3-351);”.

7 (2) Section 301(b) of the Agricultural Adjust-
8 ment Act of 1938 (7 U.S.C. 1301(b)) is amended—

9 (A) in paragraph (3)(D), by striking “,
10 and not including any wheat held by the Fed-
11 eral Crop Insurance Corporation under title V”;
12 and

13 (B) in paragraph (6)(A), by striking “, but
14 does not include disposing of any of such com-
15 modities as premium to the Federal Crop In-
16 surance Corporation under Title V”.

17 (3) Section 101B(c) of the Agricultural Act of
18 1949 (7 U.S.C. 1441-2(c)) is amended—

19 (A) in paragraph (1)(D) (as redesignated
20 by section 103(d)(1)(B)), by striking “para-
21 graph (2)” and inserting “title VII”; and

22 (B) by striking paragraph (2) and insert-
23 ing the following new paragraph:

1 “(2) DISASTER ASSISTANCE.—Disaster assist-
2 ance shall be made available to producers in accord-
3 ance with title VII.”.

4 (4) Section 103B(c) of the Agricultural Act of
5 1949 (7 U.S.C. 1444–2(c)) is amended—

6 (A) in paragraph (1)(D) (as redesignated
7 by section 103(c)(1)(B)), by striking “para-
8 graph (2)” and inserting “title VII”; and

9 (B) by striking paragraph (2) and insert-
10 ing the following new paragraph:

11 “(2) DISASTER ASSISTANCE.—Disaster assist-
12 ance shall be made available to producers in accord-
13 ance with title VII.”.

14 (5) Section 105B(c) of the Agricultural Act of
15 1949 (7 U.S.C. 1444f(c)) is amended—

16 (A) in paragraph (1)(E) (as redesignated
17 by section 103(b)(1)(B)), by striking “para-
18 graph (2)” and inserting “title VII”; and

19 (B) by striking paragraph (2) and insert-
20 ing the following new paragraph:

21 “(2) DISASTER ASSISTANCE.—Disaster assist-
22 ance shall be made available to producers in accord-
23 ance with title VII.”.

24 (6) Section 107B(c) of the Agricultural Act of
25 1949 (7 U.S.C. 1445b–3a(c)) is amended—

1 (A) in paragraph (1)(E) (as redesignated
2 by section 103(a)(1)(B)), by striking “para-
3 graph (2)” and inserting “title VII”; and

4 (B) by striking paragraph (2) and insert-
5 ing the following new paragraph:

6 “(2) DISASTER ASSISTANCE.—Disaster assist-
7 ance shall be made available to producers in accord-
8 ance with title VII.”.

9 (7) The matter under the heading “FEDERAL
10 CROP INSURANCE” under the heading “DEPART-
11 MENT OF AGRICULTURE” of title I of the Sec-
12 ond Deficiency Appropriation Act, 1940 (54 Stat.
13 640; 7 U.S.C. 1504a) is amended by striking “: *Pro-*
14 *vided,*” and all that follows through “Corporation”.

15 (8) Section 1507 of the Omnibus Budget Rec-
16 onciliation Act of 1987 (Public Law 100–203; 7
17 U.S.C. 1508 note) is repealed.

18 (9) Section 321(b) of the Consolidated Farm
19 and Rural Development Act (7 U.S.C. 1961(b)) is
20 amended by striking “crop insurance was available
21 to the applicant for such crop losses under the Fed-
22 eral Crop Insurance Act (7 U.S.C. 1501 et seq.)”
23 and inserting “disaster assistance was available to
24 the applicant for the crop losses under title VII of
25 the Agricultural Act of 1949”.

1 (10) Subsection (c) of the first sentence of se
2 tion 2 of the Act of December 20, 1944 (58 Stat.
3 837, chapter 623; 12 U.S.C. 1150a) is amended by
4 striking “; and crop-insurance programs formulated
5 pursuant to title V of the Agricultural Adjustment
6 Act of 1938 (the Federal Crop Insurance Act)”.

7 (11) Section 12 of the Soil Conservation and
8 Domestic Allotment Act (16 U.S.C. 590l) is
9 amended—

10 (A) by striking “(a)”; and

11 (B) by striking subsection (b).

12 (12) Section 1211(1) of the Food Security Act
13 of 1985 (16 U.S.C. 3811(1)) is amended—

14 (A) by striking subparagraph (C); and

15 (B) by redesignating subparagraphs (D)
16 and (E) as subparagraphs (C) and (D), respec-
17 tively.

18 (13) Section 1221(1) of the Food Security Act
19 of 1985 (16 U.S.C. 3821(1)) is amended—

20 (A) by striking subparagraph (C); and

21 (B) by redesignating subparagraphs (D)
22 and (E) as subparagraphs (C) and (D), respec-
23 tively.

1 (14) Section 657 of title 18, United States
2 Code, is amended by striking “Federal Crop Insur-
3 ance Corporation,”.

4 (15) Section 658 of title 18, United States
5 Code, is amended by striking “Federal Crop Insur-
6 ance Corporation,”.

7 (16) Section 1006 of title 18, United States
8 Code, is amended by striking “Federal Crop Insur-
9 ance Corporation,”.

10 (17) Section 1014 of title 18, United States
11 Code, is amended by striking “Federal Crop Insur-
12 ance Corporation,”.

13 (18) Section 1903 of title 18, United States
14 Code, is amended by striking “crop insurance or to
15 the Federal Crop Insurance Corporation” and in-
16 serting “disaster assistance”.

17 (19) Section 519(b)(1) of the Controlled Sub-
18 stances Act (21 U.S.C. 889(b)(1)) is amended—

19 (A) by striking subparagraph (C); and

20 (B) by redesignating subparagraphs (D)
21 and (E) as subparagraphs (C) and (D), respec-
22 tively.

23 (20) Section 6109 of the Internal Revenue Code
24 of 1986 (relating to identifying numbers) is
25 amended—

1 (A) by striking subsection (f) (as added by
2 section 2201(d) of the Food, Agriculture, Con-
3 servation, and Trade Act of 1990 (104 Stat.
4 3953); and

5 (B) by redesignating subsection (h) as sub-
6 section (g).

7 (21) Section 9101(3) of title 31, United States
8 Code, is amended—

9 (A) by striking subparagraph (C); and

10 (B) by redesignating subparagraphs (D)
11 and subparagraphs (F) through (M) as sub-
12 paragraph (C) and subparagraphs (D) through
13 (K), respectively.

14 (22) Section 205(c)(2)(C) of the Social Security
15 Act (42 U.S.C. 405(c)(2)(C)) is amended by striking
16 clause (iii) (as added by section 2201(b)(3) of the
17 Food, Agriculture, Conservation, and Trade Act of
18 1990 (104 Stat. 3952)).

19 **SEC. 323. EFFECTIVE DATE.**

20 This subtitle and the amendments made by this sub-
21 title shall become effective beginning with the 1994 crop
22 of a commodity.

Subtitle C—Other Agricultural Programs

SEC. 331. ELIMINATION OF TITLE I SALES AND TITLE III GRANTS UNDER PUBLIC LAW 480.

(a) IN GENERAL.—Title I and III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended—

(A) in paragraphs (1) and (7)(D)(iii), by striking “titles II and III” each place it appears and inserting “title II”; and

(B) in paragraph (11)(A)(i), by striking “title I of the Agricultural Trade Development and Assistance Act of 1954 or other statutes” and inserting “pursuant to law”.

(2) The matter under the heading “FOREIGN AGRICULTURAL SERVICE” under the heading “DEPARTMENT OF AGRICULTURE” of title I of the Second Supplemental Appropriation Act, 1959 (Public Law 86–30; 7 U.S.C. 1704 note) is amended by striking the heading “SALARIES AND EXPENSES” and the matter under the heading.

1 (3) Section 302(b) of the Dairy and Tobacco
2 Adjustment Act of 1983 (Public Law 98-180; 7
3 U.S.C. 1727g note) is amended—

4 (A) in paragraph (1), by inserting “and”
5 at the end;

6 (B) by striking paragraph (2); and

7 (C) by redesignating paragraph (3) as
8 paragraph (2).

9 (4) Section 401 of the Agricultural Trade De-
10 velopment and Assistance Act of 1954 (7 U.S.C.
11 1731) is amended—

12 (A) in subsection (e)(2), by striking “sec-
13 tion 303 or”; and

14 (B) by striking subsection (f).

15 (5) Section 404 of the Agricultural Trade De-
16 velopment and Assistance Act of 1954 (7 U.S.C.
17 1734) is amended—

18 (A) by striking subsection (a);

19 (B) by redesignating subsections (b), (c),
20 and (d) as subsections (a), (b), and (c), respec-
21 tively; and

22 (C) in subsection (a) (as redesignated by
23 subparagraph (B))—

24 (i) by striking paragraphs (2) and (3);
25 and

1 (ii) by redesignating paragraphs (4)
2 and (5) as paragraphs (2) and (3), respec-
3 tively.

4 (6) Section 407 of the Agricultural Trade De-
5 velopment and Assistance Act of 1954 (7 U.S.C.
6 1736a) is amended—

7 (A) by striking subsections (a) and (f);

8 (B) by redesignating subsections (b), (c),
9 (d), (e), (g), and (h) as subsections (a), (b), (c),
10 (d), (e), and (f), respectively;

11 (C) in subsection (a) (as redesignated by
12 subparagraph (B))—

13 (i) in paragraph (1), by striking “, or
14 any ocean transportation financed by the
15 Commodity Credit Corporation under title
16 I”; and

17 (ii) by striking paragraph (4);

18 (D) in subsection (b) (as redesignated by
19 subparagraph (B))—

20 (i) by striking paragraphs (1) and (3);

21 (ii) by redesignating paragraphs (2)
22 and (4) as paragraphs (1) and (2), respec-
23 tively;

24 (iii) in paragraph (1) (as redesignated
25 by clause (ii))—

(I) by striking “AND COMMIS-
SIONS.—” and all that follows
through “.—Notwithstanding” and in-
serting “AND COMMISSIONS.—Not-
withstanding”; and

(II) by striking subparagraph
(B); and

(E) in subsection (c) (as redesignated by
subparagraph (B))—

(i) in the subsection heading, by strik-
ing “AND III”;

(ii) in paragraph (1), by striking “and
title III”; and

(iii) in paragraphs (2) and (3), by
striking “titles II and III” both places it
appears and inserting “title II”.

(7) Section 410 of the Agricultural Trade De-
velopment and Assistance Act of 1954 (7 U.S.C.
1736d) is amended—

(A) by striking subsections (a) and (c);
and

(B) by redesignating subsections (b) and
(d) as subsections (a) and (b), respectively.

1 (8) Section 411 of the Agricultural Trade De-
2 velopment and Assistance Act of 1954 (7 U.S.C.
3 1736e) is amended—

4 (A) by striking subsection (a); and

5 (B) by redesignating subsections (b)
6 through (e) as subsections (a) through (d), re-
7 spectively.

8 (9) Section 412 of the Agricultural Trade De-
9 velopment and Assistance Act of 1954 (7 U.S.C.
10 1736f) is amended—

11 (A) in subsection (a), by striking “carry
12 out—” and all that follows through “including”
13 and inserting “carry out the emergency and pri-
14 vate assistance program under title II, includ-
15 ing”;

16 (B) by striking subsection (b); and

17 (C) by redesignating subsections (c), (d),
18 and (e) as subsections (b), (c), and (d), respec-
19 tively.

20 (10) Subsection (e) of the Food for Progress
21 Act of 1985 (7 U.S.C. 1736o(e)) is amended—

22 (A) by striking paragraph (3); and

23 (B) by redesignating paragraph (4) as
24 paragraph (3).

1 (11) Section 7(4)(A) of the Agricultural and
2 Trade Missions Act (7 U.S.C. 1736bb–6(4)(A)) is
3 amended by striking “titles I, II, and III” and in-
4 serting “title II”.

5 (12) Section 604(a) of the Agricultural Trade
6 Development and Assistance Act of 1954 (7 U.S.C.
7 1738c(a)) is amended by striking “DEBT.—” and all
8 that follows through “APPROPRIATIONS.—The” and
9 inserting “DEBT.—The”.

10 (13) The proviso of the first sentence of section
11 606C of the Agricultural Act of 1954 (7 U.S.C.
12 1766b) is amended by striking “, and the Secretary
13 may utilize” and all that follows through “are as-
14 signed”.

15 (14) Section 416(a) of the Agricultural Trade
16 Act of 1978 (7 U.S.C. 5676(a)) is amended by strik-
17 ing “export program established under title I of the
18 Agricultural Trade Development and Assistance Act
19 of 1954 (7 U.S.C. 1691 et seq.), or in any other”.

20 (15) The second sentence of section 402 of the
21 Mutual Security Act of 1954 (22 U.S.C. 1922) is
22 amended by striking “and with particular emphasis”
23 and all that follows through “purposes of this Act”.

24 (16) The first sentence of section 5(g) of the
25 International Health Research Act of 1960 (22

1 U.S.C. 2103(g)) is amended by striking “title I of
2 the Agricultural Trade Development and Assistance
3 Act of 1954, and”.

4 (17) Section 481(i)(4)(C) of the Foreign Assist-
5 ance Act of 1961 (22 U.S.C. 2291(i)(4)(C)) is
6 amended by striking “sales under title I or III and”.

7 **SEC. 332. ELIMINATION OF INTEREST RATE SUBSIDY FOR**
8 **REA DIRECT LOANS.**

9 Section 305(b) of the Rural Electrification Act of
10 1936 (7 U.S.C. 935(b)) is amended by striking “5 per
11 centum per annum” and inserting “a rate fixed by the
12 Secretary of the Treasury, taking into consideration the
13 current average market yield of outstanding marketable
14 obligations of the United States having maturities com-
15 parable to the notes issued by the Administrator under
16 section 304”.

17 **SEC. 333. CONSOLIDATION OF FIELD OFFICES OF DEPART-**
18 **MENT OF AGRICULTURE.**

19 (a) IN GENERAL.—Not later than 180 days after the
20 date of enactment of this Act, the Secretary of Agriculture
21 (referred to in this section as the “Secretary”) shall con-
22 solidate the field offices of—

23 (1) the Agricultural Stabilization and Conserva-
24 tion Service;

1 (2) the Soil Conservation Service established
2 under section 5 of the Soil Conservation and Domes-
3 tic Allotment Act (16 U.S.C. 590e);

4 (3) the Farmers Home Administration estab-
5 lished under section 331 of the Consolidated Farm
6 and Rural Development Act (7 U.S.C. 1981); and

7 (4) the Federal Crop Insurance Corporation es-
8 tablished in section 503 of the Federal Crop Insur-
9 ance Act (7 U.S.C. 1503) (as it existed before the
10 amendment made by section 142(a)).

11 (b) DISTRICT OFFICES.—

12 (1) IN GENERAL.—In lieu of maintaining coun-
13 ty field offices for the field offices consolidated
14 under subsection (a), the Secretary shall establish
15 offices in administrative districts consisting of more
16 than one county in a State or parts of different
17 counties, except, at the discretion of the Secretary
18 and according to guidelines provided for in sub-
19 section (e).

20 (2) FACTORS.—In establishing the districts, the
21 Secretary shall consider—

22 (A) the number of producers to be served
23 by a district in a State;

24 (B) the area to be covered by a district;
25 and

1 (C) the cost of operating a district com-
2 pared to the value of the benefits to be provided
3 through the district office.

4 (c) OFFICES TO REPLACE EXISTING COUNTY OF-
5 FICES.—As a district office is established under this sec-
6 tion, the district office shall replace the county or other
7 local offices of the agencies referred to in subsection (a)
8 in existence on the date of enactment of this Act.

9 (d) PERSONNEL ADJUSTMENTS.—If the consolida-
10 tion of offices under this section requires a reduction in
11 personnel, the Secretary shall give first attempt to use at-
12 trition, rather than other reductions in force, to obtain the
13 necessary reduction in personnel.

14 (e) GUIDELINES.—

15 (1) IN GENERAL.—Prior to the establishment of
16 offices under this section, the Secretary shall publish
17 guidelines, subject to public comment before final
18 implementation, for the criteria used in determining
19 the size of administrative areas to be covered by dis-
20 trict offices.

21 (2) CRITERIA.—The criteria shall include—

22 (A) the number of farms, ranches, and
23 producers in each administrative area;

24 (B) the geographic size of each administra-
25 tive area;

(C) the quantity and type of crops grown in each administrative area;

(D) the likely inconvenience to producers of the size of the administrative area;

(E) the ability of the proposed office to service efficiently the administrative area;

(F) the ability of producers in the administrative area to utilize user-friendly application processes for the programs administered by the office; and

(G) the extent to which the Secretary has eased paperwork burdens on producers to be served by the administrative area.

TITLE IV—COMMITTEE ON ENERGY AND NATURAL RESOURCES

SEC. 401. ELIMINATION OF BELOW-COST TIMBER SALES FROM NATIONAL FORESTS.

(a) IN GENERAL.—Section 14(a) of the National Forest Management Act of 1976 (16 U.S.C. 472a(a)) is amended—

(1) by striking “For” and inserting “(1) Subject to paragraph (2), for”; and

(2) by adding at the end the following new paragraph:

1 “(2)(A) The Secretary of Agriculture may not sell,
2 or offer for sale, any timber located on National Forest
3 System lands for which revenues from the sale are less
4 than the legal minimum bid.

5 “(B) As used in this paragraph:

6 “(i) The term ‘legal minimum bid’ means the
7 minimum amount of revenues from a timber sale
8 needed to meet or exceed the timber sale expenses
9 from the sale.

10 “(ii) The term ‘revenues’ means cash returns to
11 the United States Treasury.

12 “(iii) The term ‘timber sale expenses’ means ex-
13 penses incurred by the United States for—

14 “(I) sale preparation;

15 “(II) harvest administration;

16 “(III) timber resource planning;

17 “(IV) silvicultural examination;

18 “(V) other resource support;

19 “(VI) road design and construction;

20 “(VII) road maintenance;

21 “(VIII) transportation planning;

22 “(IX) appropriated reforestation;

23 “(X) timber stand improvement;

24 “(XI) forest genetics study;

“(XII) timber program general administration;

“(XIII) facilities construction;

“(XIV) payments to counties; and

“(XV) a portion of timber program expenses for the Washington, D.C., and regional offices of the Forest Service allocated to each national forest on the basis of harvest volume, as determined by the Secretary of Agriculture.”.

(b) **EFFECTIVE DATE.**—Section 14(a)(2) of the National Forest Management Act of 1976 (as added by subsection (a)) shall take effect on the first day of the first full fiscal year following the date of enactment of this Act.

SECTION. 402. REDUCTION IN FUNDING FOR TENNESSEE VALLEY AUTHORITY.

(a) **RECREATIONAL ACTIVITIES.**—Section 4(g) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831c(g)) is amended by inserting before the period the following: “, except that no Federal funds may be used by the Corporation under this Act to support or carry out a recreational activity or program”.

(b) **NATIONAL FERTILIZER AND ENVIRONMENTAL RESEARCH CENTER.**—Section 5(h) of the Tennessee Val-

1 ley Authority Act of 1933 (16 U.S.C. 831d(h)) is
2 amended—

3 (1) by striking “To establish” and inserting
4 “(1) Subject to paragraph (2), to establish”; and

5 (2) by adding at the end the following new
6 paragraph:

7 “(2) The board may not use Federal funds to estab-
8 lish or maintain the National Fertilizer and Environ-
9 mental Research Center or any comparable entity.”.

10 (c) OTHER STEWARDSHIP ACTIVITIES.—

11 (1) USE OF FUNDS FOR NONPOWER ACTIVI-
12 TIES.—The Board of Directors of the Tennessee
13 Valley Authority (referred to in this subsection as
14 the “Board”) shall not use Federal funds for stew-
15 ardship activities of the Tennessee Valley Authority
16 that are not related to the power system.

17 (2) FEE-FOR-SERVICE.—The Board is author-
18 ized to develop and implement a fee-for-service
19 mechanism to charge fees to users of stewardship
20 activities of the Tennessee Valley Authority that are
21 not related to the power system to cover the costs
22 of such nonpower related activities.

23 (3) FEE STRUCTURE.—The Board is authorized
24 to develop and implement a fee structure for users

1 of power from the system to generate funds suffi-
2 cient to cover the costs of all stewardship activities.

3 **SEC. 403. DEBT REPAYMENT FOR HYDROELECTRIC POWER**
4 **PROJECTS.**

5 (a) IN GENERAL.—The second sentence of section 5
6 of the Act entitled “An Act authorizing the construction
7 of certain public works on rivers and harbors for flood con-
8 trol, and for other purposes”, approved December 22,
9 1944 (16 U.S.C. 825s), is amended by inserting before
10 the period at the end the following: “through uniform an-
11 nual payments that consist of equal amounts of principal
12 and interest and that reflect a commencement of payments
13 for each project with the 1st year in which electric power
14 and energy is delivered to the Secretary of Energy from
15 the project”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall become effective on October 1, 1994.

18 **SECTION. 404. INCREASE IN PRICING FOR USE OF PUBLIC**
19 **LANDS.**

20 (a) INCREASE IN DOMESTIC LIVESTOCK GRAZING
21 FEES.—

22 (1) IN GENERAL.—Section 401 of the Federal
23 Land Policy and Management Act of 1976 (43
24 U.S.C. 1751) is amended by adding at the end the
25 following new subsection:

1 “(c)(1)(A) Subject to subparagraph (B), the Sec-
 2 retary of Agriculture, with respect to National Forest Sys-
 3 tem lands in the 16 contiguous Western States (except
 4 national grasslands) administered by the Forest Service
 5 where domestic livestock grazing is permitted under appli-
 6 cable law, and the Secretary of the Interior with respect
 7 to public domain lands administered by the Bureau of
 8 Land Management where domestic livestock grazing is
 9 permitted under applicable law, shall establish beginning
 10 with the grazing season that begins on March 1, 1994,
 11 an annual domestic livestock grazing fee equal to fair mar-
 12 ket value.

13 “(B) The grazing fee charged for any given year
 14 under subparagraph (A) shall not increase nor decrease
 15 by more than 33.3 percent from the grazing fee charged
 16 for the previous year.

17 “(2)(A) As used in this subsection, the term ‘fair
 18 market value’ means the amount obtained in accordance
 19 with the following formula:

$$\text{Fair Market Value} = \frac{\text{Appraised Base Value} \times \text{Forage Value Index}}{100}$$

20 “(B) As used in subparagraph (A):

21 “(i) The term ‘Appraised Base Value’ means
 22 the 1983 Appraisal Value conclusions for mature
 23 cattle and horses (expressed in dollars per head or

per month), as determined in the 1986 report prepared jointly by the Secretary of Agriculture and the Secretary of the Interior entitled ‘Grazing Fee Review and Evaluation’, dated February 1986, on a westwide basis using the lowest appraised value of the pricing areas adjusted for advanced payment and indexed to 1993.

“(ii) The term ‘Forage Value Index’ means the Forage Value Index (FVI) computed annually by the Economic Research Service of the Department of Agriculture, and set with the 1993 Forage Value Index equal to 100.”.

(2) DEFINITION OF 16 CONTIGUOUS WESTERN STATES.—Section 103 of such Act (43 U.S.C. 1702) is amended by adding at the end the following new paragraph:

“(q) The term ‘16 contiguous Western States’ means the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming.”.

(3) CONFORMING AMENDMENT.—Section 6 of the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1905) is amended by striking subsection (a).

1 (b) INCREASE IN USER FEES IN NATIONAL
2 PARKS.—

3 (1) IN GENERAL.—Not later than 180 days
4 after the date of enactment of this Act, the Sec-
5 retary of the Interior, acting through the Director of
6 the National Park Service, shall establish a fee
7 structure for entrance and user fees at public lands
8 that are part of the National Park System.

9 (2) FEES.—The Secretary shall set the fees re-
10 quired by this subsection at such a level that will
11 generate, per year, funds equal to 50 percent of the
12 costs of operation and maintenance of visitor serv-
13 ices by January 30, 1993.

14 **TITLE V—COMMITTEE ON ENVI-** 15 **RONMENT AND PUBLIC** 16 **WORKS**

17 **SEC. 501. HIGHWAY DEMONSTRATION PROJECTS.**

18 (a) ELIMINATION OF AUTHORITY FOR PROJECTS.—
19 For each of fiscal years 1994 through 1998, except as pro-
20 vided in subsection (c) and except in the case of a contract
21 or agreement entered into before March 31, 1994, not-
22 withstanding any other provision of law, the Secretary of
23 Transportation may not enter into any contract or agree-
24 ment to carry out, or carry out, a highway demonstration

1 project described in the Intermodal Surface Transpor-
2 tation Efficiency Act of 1991 (Public Law 102-240).

3 (b) PROHIBITION ON EXPENDITURE OF FUNDS.—
4 Except as provided in subsection (c), no funds made avail-
5 able shall be expended for any of fiscal years 1994 through
6 1998 in connection with a highway demonstration project
7 subject to subsection (a).

8 (c) EXCEPTION.—Subsections (a) and (b) shall not
9 apply to any contract or agreement entered into, or any
10 funds made available, solely for the purpose of terminat-
11 ing, as a result of this section, any action or activity in-
12 volving a highway demonstration project subject to sub-
13 section (a).

14 (d) RESCISSION OF FUNDS.—There are rescinded—

15 (1) any amounts set aside or otherwise made
16 available, for highway demonstration projects subject
17 to subsection (a), that are not expended as a result
18 of this section; and

19 (2) the underlying appropriations for the
20 amounts described in paragraph (1).

1 **TITLE VI—COMMITTEE ON COM-**
2 **MERCE, SCIENCE, AND**
3 **TRANSPORTATION**

4 **SEC. 601. RADIO SPECTRUM ROYALTY.**

5 The Communications Act of 1934 is amended by in-
6 serting after section 304 the following new section:

7 **“SEC. 304A. ROYALTY.**

8 “(a) **REQUIREMENT.**—Revenues from the use of the
9 electromagnetic spectrum described in section (j)(2)(A) of
10 the Communications Act of 1934 (47 U.S.C. 309(j)(2)(A))
11 pursuant to any initial license of construction permit is-
12 sued after the date of enactment of this section shall be
13 subject to a royalty of 4 percent of the gross income from
14 the use of the spectrum.

15 “(b) **ROYALTY PAYMENTS.**—Royalty payments shall
16 be made to the United States not later than 30 days after
17 the end of the month in which the income from the use
18 of the spectrum is generated.

19 “(c) **REPORTING REQUIREMENTS.**—Each licensee
20 shall be required to provide such information as the Com-
21 mission determines is necessary to ensure compliance with
22 this section.

23 “(d) **AUDITS.**—The Commission shall conduct such
24 audits of each licensee as the Commission determines are

1 necessary to ensure compliance with the requirements of
2 this section.

3 “(e) COMPLIANCE.—Any licensee who knowingly or
4 willfully prepares, maintains, or submits false, inaccurate,
5 or misleading information required by this section, or fails
6 or refuses to submit information required by this section,
7 shall be subject to forfeiture of the license.

8 “(f) REGULATIONS.—The Commission shall promul-
9 gate regulations to establish gross income for royalty pur-
10 poses under subsection (a) and to ensure compliance with
11 this section.

12 “(g) REPORT.—The Commission shall submit to Con-
13 gress an annual report on the implementation of this sec-
14 tion.”.

15 **SEC. 602. INLAND WATERWAY SYSTEM.**

16 Title I of the Water Resources Development Act of
17 1986 (33 U.S.C. 2211 et seq.) is amended by adding at
18 the end the following new section:

19 **“SEC. 110. FEES FOR USE OF INLAND WATERWAY SYSTEM.**

20 “(a) IMPLEMENTATION OF FEE SYSTEM.—Not later
21 than 180 days after the date of enactment of this section,
22 the Secretary of Transportation shall develop and imple-
23 ment a system to require the payment of a user fee by
24 users of the inland waterway transportation system.

1 “(b) AMOUNT.—The Secretary shall set the fee re-
 2 quired under subsection (a) in an amount that will gen-
 3 erate revenues sufficient to fully recover—

4 “(1) costs associated with the operation and
 5 maintenance of the inland waterway system; and

6 “(2) construction outlays for the inland water-
 7 way system.”.

8 **TITLE VII—CIVIL SERVICE** 9 **PROGRAMS**

10 **SEC. 701. PREFUNDING OF GOVERNMENT CONTRIBUTIONS** 11 **FOR FEDERAL ANNUITANTS’ HEALTH INSUR-** 12 **ANCE.**

13 (a) IN GENERAL.—Chapter 89 of title 5, United
 14 States Code, is amended by inserting after section 8906a
 15 the following new section:

16 **“§ 8906b. Prefunding of Government contributions** 17 **for annuitants**

18 “(a) Beginning on October 1, 1994, and no later than
 19 October 1 of each year thereafter, each agency shall de-
 20 posit an amount determined by the Office of Personnel
 21 Management in the Employees Health Benefit Fund to
 22 be invested as provided under subsection (a) to pay the
 23 Government contributions for annuitants as required
 24 under section 8906 in following fiscal years.

1 “(b) The Secretary of the Treasury may invest and
 2 reinvest the amounts deposited under subsection (a) in in-
 3 terest bearing obligations of the United States and may
 4 sell such obligations. Such amounts, interest on obliga-
 5 tions, and the proceeds from such sales shall be used for
 6 the purpose described under subsection (a).”.

7 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 8 The table of sections for chapter 89 of title 5, United
 9 States Code, is amended by inserting after the item relat-
 10 ing to section 8906a the following new item:

“8906b. Prefunding of Government contributions for annuitants.”.

11 **SEC. 702. REPEAL OF THE PROVISION EXCLUDING SENIOR**
 12 **EXECUTIVES FROM THE LIMITATION GEN-**
 13 **ERALLY APPLICABLE ON THE ACCUMULA-**
 14 **TION OF ANNUAL LEAVE.**

15 (a) IN GENERAL.—Section 6304(f) of title 5, United
 16 States Code, is repealed, effective as of January 1, 1994.

17 (b) SAVINGS PROVISION.—

18 (1) APPLICABILITY.—This paragraph shall
 19 apply with respect to an individual—

20 (A) who, as of December 31, 1993, has
 21 more than 30 days of annual leave to such indi-
 22 vidual’s credit (or more than 45 days, if the in-
 23 dividual would be subject to section 6304(b) of
 24 such title) which were accrued in any position
 25 described in section 6304(f) of title 5, United

1 States Code (as in effect on the date of the en-
2 actment of this Act); and

3 (B) only for so long as such individual re-
4 mains continuously employed in any such posi-
5 tion (disregarding any break in service of 3
6 days or less).

7 (2) STATEMENT OF THE RULE.—For purposes
8 of administering section 6304 of title 5, United
9 States Code, with respect to any individual to whom
10 this paragraph applies—

11 (A) subsection (a) of such section shall be
12 deemed amended by striking “30” and inserting
13 the number corresponding to the number of
14 days determined for such individual under sub-
15 paragraph (A)(i); and

16 (B) subsection (b) of such section shall be
17 deemed amended by striking “45” and inserting
18 the number corresponding to the number of
19 days determined for such individual under sub-
20 paragraph (A)(i).

21 (c) CONFORMING AMENDMENT.—Section 6304(a) of
22 title 5, United States Code, is amended by striking “(d),
23 (e), (f), and (g)” and inserting “(d) and (e)”.

1 **SEC. 703. ELIMINATION OF ADMINISTRATIVELY UNCON-**
2 **TROLLABLE OVERTIME PAY.**

3 Section 5542 of title 5, United States Code, is
4 amended by adding at the end thereof the following new
5 subsection:

6 “(d)(1) Subject to paragraph (2), an employee may
7 not be paid overtime pay as provided under this section,
8 unless there is administrative prior approval of the hours
9 of overtime.

10 “(2) The provisions of paragraph (1) shall not apply
11 to a law enforcement officer.”.

12 **TITLE VIII—COMMITTEE ON**
13 **FINANCE**

14 **SEC. 801. ONE DOLLAR FEE FOR PROCESSING PAPER**
15 **CLAIMS.**

16 (a) IMPOSITION OF FEE BY SECRETARY.—Section
17 1874 (42 U.S.C. 1395kk) of the Social Security Act is
18 amended by adding at the end the following new sub-
19 section:

20 “(d) The Secretary may impose a one dollar fee for
21 each claim for payment for items or services furnished
22 under this title submitted on paper rather than electroni-
23 cally by any person that furnishes items or services under
24 part B of this title.”.

25 (b) RECOGNIZED PAYMENT AMOUNT ADJUSTED BY
26 ONE DOLLAR FEE.—Section 1848(g)(2)(D) (42 U.S.C.

1 1395w-4(g)(2)(D)) of the Social Security Act is amended
2 by inserting “reduced by any applicable fee imposed under
3 section 1874(d)” after “subsection (a)”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 subsections (a) and (b) shall apply to claims received after
6 1993.

7 **SEC. 802. AUCTION OF IMPORT LICENSES.**

8 (a) IMPORT LICENSES.—Notwithstanding any other
9 provision of law, the Secretary of the Treasury shall estab-
10 lish and implement a program for the issuance and sale
11 of import licenses at public auction to administer quan-
12 titative restrictions with respect to textiles and textile
13 products, and sugar.

14 (b) AUCTIONING OF IMPORT LICENSES.—

15 (1) IN GENERAL.—Each import license to be is-
16 sued and sold pursuant to this section shall be sold
17 by the Secretary of the Treasury at a public auction
18 held no earlier than 15 days after the date on which
19 notice of such auction is published in the Federal
20 Register.

21 (2) REGULATIONS.—By no later than the date
22 that is 60 days after the date of the enactment of
23 this Act, the Secretary of the Treasury shall pre-
24 scribe regulations under which auctions shall be con-

ducted under paragraph (1). Such regulations shall provide for—

(A) the auctioning of quotas, on a historical basis, among importers of textiles and textile products, and sugar;

(B) the transfer of auctioned import licenses among importers; and

(C) a means of ensuring that no person obtains undue market power in the markets of the United States through the use of auctioned import licenses.

(c) DEPOSIT OF REVENUES.—Any revenues from the sale of import licenses under this section shall be paid into the general fund of the Treasury of the United States.

(d) DEFINITIONS.—For purposes of this Act—

(1) SUGAR.—The term “sugar” means sugar, syrups, and molasses described in subheading 1701.11, 1701.12, 1701.91, 1701.99, 1702.90, 1806.10, or 2106.90 of the Harmonized Tariff Schedule of the United States (as in effect on the date of the enactment of this Act).

(2) TEXTILE AND TEXTILE PRODUCT.—The term “textile and textile product” means any textile or textile product—

1 (A) described in a category identified by a
2 three-digit number in the Department of Com-
3 merce publication entitled “Correlation: Textile
4 and Apparel Categories with Harmonized Tariff
5 Schedule of the United States”, dated 1990,
6 and in any amendments to such publication;

7 (B) described in a subdivision of a cat-
8 egory described in subparagraph (A) with re-
9 spect to which the United States has—

10 (i) an agreement with any country on
11 the date of the enactment of this Act limit-
12 ing exports of textiles and textile products
13 to the United States that includes a spe-
14 cific limit on such subdivision, or

15 (ii) taken unilateral action to limit
16 producers from any country entered under
17 such subdivision;

18 (C) which consists of manmade fiber prod-
19 ucts not covered by a category described in sub-
20 paragraph (A), but classified under chapter 54,
21 55, or 56 of the Harmonized Tariff Schedule of
22 the United States (as in effect on the date of
23 the enactment of this Act); and

24 (D) which is not covered by a category de-
25 scribed in subparagraph (A), but is classified

1 under subheading 6215.10 or 6117.20 of the
2 Harmonized Tariff Schedule of the United
3 States (as in effect on the date of the enact-
4 ment of this Act).

5 **TITLE IX—REINVENTING** 6 **GOVERNMENT**

7 **SEC. 901. ENCOURAGING AGENCY COST EFFICIENCY AND** 8 **EMPLOYEE SAVINGS IDEAS.**

9 (a) **SHARED SAVINGS.**—In any fiscal year, any agen-
10 cy that has budget authority appropriated to the agency
11 in operational accounts which—

12 (1) will be unobligated on the last day of such
13 fiscal year; and

14 (2) will expire at the end of the last day of such
15 fiscal year,

16 may place up to 50 percent of such budget authority into
17 an agency innovation fund.

18 (b) **INNOVATION FUNDS.**—There are established at
19 the Department of the Treasury, innovation funds for
20 each executive agency of the Federal Government. Not-
21 withstanding any other provision of law, any funds trans-
22 ferred to one of these funds pursuant to subsection (a)
23 shall remain available for obligation for a qualified pur-
24 pose, as defined in subsection (c), for an additional 2 years
25 beyond the date the funds would otherwise have expired.

1 (c) QUALIFIED PURPOSE.—The head of an agency
2 may authorize the Secretary of the Treasury to disburse
3 funds from that agency's innovation fund for the following
4 qualified purposes:

5 (1) Up to a maximum of 2 percent of the funds
6 transferred by the agency at the end of the previous
7 fiscal year to the innovation fund, to pay savings bo-
8 nuses to employees of offices of the agency that as-
9 sisted in saving the funds so transferred. The head
10 of the agency shall ensure that such bonuses are
11 equitably distributed among employees of an office
12 that assisted in saving the funds so transferred, and
13 that the aggregate amount of savings bonuses to
14 each office reflect the proportionate contribution of
15 that office to aggregate agency savings so trans-
16 ferred during the previous fiscal year.

17 (2) To conduct additional debt collection activi-
18 ties. The head of the agency and chief financial offi-
19 cer of the agency certify that the additional collec-
20 tions from expenditures permitted by this paragraph
21 from the innovation fund will exceed the expendi-
22 tures from the innovation fund.

23 (3) To acquire information technology that will
24 substantially improve efficiency or customer service.
25 The agency head and chief financial officer certify

1 that the expenditures permitted by this paragraph
2 will substantially improve efficiency or customer
3 service and such expenditures are approved by the
4 Director of the Office of Management and Budget,
5 or his designee.

6 (4) To conduct pilot projects on methods to im-
7 prove customer service.

8 (d) ANNUAL REPORTS.—The head of each agency
9 shall annually submit to the President and Congress a re-
10 port containing—

11 (1) a listing of all expenditures from the inno-
12 vation fund;

13 (2) the purpose of such expenditures;

14 (3) a statement of performance indicators and
15 performance goals for evaluation of each activity
16 funded by the innovation fund; and

17 (4) an evaluation of whether activities funded
18 by the innovation fund have met or exceeded per-
19 formance goals.

20 (e) DEFINITIONS.—For the purposes of this
21 section—

22 (1) the term “operational accounts” means
23 those accounts so designated by the department or
24 agency head pursuant to guidance issued by the Di-
25 rector of the Office of Management and Budget, but

1 shall not include funds intended to be distributed as
2 grants or entitlements; and

3 (2) the terms “performance goal” and “per-
4 formance indicator” shall have the same meaning
5 given such terms in section 1115(f) of title 31, Unit-
6 ed States Code.

7 (f) RELATIONSHIP TO OTHER PROVISIONS OF
8 LAW.—The provisions of this section shall apply to any
9 unexpired appropriation in existence on the date of enact-
10 ment of this section, and to any appropriation enacted
11 after the date of enactment of this section, except where
12 such appropriation specifically excludes application of this
13 section.

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